DEPARTMENT OF JUSTICE

VICTIMS' FUND

FINANCIAL STATEMENTS

For the Year Ended March 31, 2006

Provincial Auditor Saskatchewan

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SASKATCHEWAN

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Department of Justice – Victims' Fund as at March 31, 2006 and the statements of operations, change in net financial assets, and cash flows for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2006 and the results of its operations and change in net financial assets, and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
June 9, 2006

Fred Wendel, CMA, CA
Provincial Auditor

DEPARTMENT OF JUSTICE
VICTIMS' FUND
STATEMENT OF FINANCIAL POSITION
As at March 31

	2006	2005
Financial assets:		
Due from General Revenue Fund (Statement 4 and Note 6)	$ 321,664	$ 431,423
Accounts receivable (Note 7)	1,028,909	895,668
Due from Public Guardian and Trustee (Note 8)	489,879	754,701
Total financial assets	1,840,452	2,081,792
Liabilities:		
Accounts payable	220,001	136,355
Employee leave entitlement	25,310	18,376
Deferred revenue (Notes 2 and 9)	63,255	118,459
Total liabilities	308,566	273,190
Net financial assets (Statement 3)	1,531,886	1,808,602
Non-financial assets		
Tangible capital assets (Notes 2 and 4)	6,882	11,738
Accumulated surplus (Statement 2)	$ 1,538,768	$ 1,820,340
Commitments (Note 10)		

(See accompanying notes to the financial statements)

DEPARTMENT OF JUSTICE
VICTIMS' FUND
STATEMENT OF OPERATIONS
For the Year Ended March 31

	Budget 2006 (Note 11)	Actual 2006	2005
Revenue:			
Surcharge revenue	$ 3,600,000	$ 3,812,280	$ 3,422,118
Investment income (Note 8)	50,000	43,976	57,935
Proceeds of Crime revenue	-	99,284	-
Federal/Provincial Cost Sharing Agreement revenue	-	-	74,977
Other	-	3,618	4,559
Total revenue	3,650,000	3,959,158	3,559,589
Expense:			
Administration costs	460,000	538,659	449,199
Crisis intervention services	2,683,000	2,660,920	2,605,780
Court based programs	260,000	247,358	229,272
Compensation payments	400,000	310,008	288,555
Restitution program	136,000	125,671	135,000
Research, evaluation and prevention	191,000	128,728	136,727
Education and training	120,000	130,102	71,939
Proceeds of Crime	-	99,284	-
Total expense (Schedule 1)	4,250,000	4,240,730	3,916,472
Deficit for the year	$ (600,000)	(281,572)	(356,883)
Accumulated surplus, beginning of year		1,820,340	2,177,223
Accumulated surplus, end of year		$ 1,538,768	$ 1,820,340

(See accompanying notes to the financial statements)

DEPARTMENT OF JUSTICE
VICTIMS' FUND
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended March 31

	2006	2005
Deficit for the year (Statement 2)	$ (281,572)	$ (356,883)
Acquisition of tangible capital assets	(2,938)	(14,771)
Amortization of tangible capital assets	7,794	14,139
	4,856	(632)
Decrease in net financial assets	(276,716)	(357,515)
Net financial assets, beginning of year	1,808,602	2,166,117
Net financial assets, end of year	$ 1,531,886	$ 1,808,602

(See accompanying notes to the financial statements)

DEPARTMENT OF JUSTICE
VICTIMS' FUND
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	2006	2005
Operating activities		
Cash received from:		
Surcharge	$ 3,679,719	$ 3,252,861
Other	90,995	169,715
	3,770,714	3,422,576
Cash paid for:		
Salaries	747,588	709,715
Other	3,394,769	3,302,515
	4,142,357	4,012,230
Cash used by operating activities	(371,643)	(589,654)
Capital activities		
Cash used to acquire tangible capital assets	(2,938)	(14,771)
Investing activities		
Cash provided by Public Guardian and Trustee	264,822	749,313
(Decrease) increase in cash and cash equivalents	(109,759)	144,888
Due from General Revenue Fund, beginning of year	431,423	286,535
Due from General Revenue Fund, end of year	$ 321,664	$ 431,423

(See accompanying notes to the financial statements)

DEPARTMENT OF JUSTICE
VICTIMS' FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2006

1. Authority

The Victims' Fund (Fund) was established by *The Victims of Crime Act* as amended April 1, 1992, and continues under the authority of *The Victims of Crime Act, 1995* (Act). The Fund receives all provincial and federal fine surcharges assessed under the Act and under the Criminal Code. The Act permits expenditures from the Fund to promote and deliver services and benefits to victims; to conduct research and to distribute information respecting victims' services, needs and concerns; and for crime prevention and administration.

2. Accounting Policies

These financial statements are prepared in accordance with generally accepted accounting principles as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants and reflect the following significant accounting principles.

a) Basis of accounting

The financial statements are prepared on the accrual basis of accounting.

b) Revenue

i) Surcharge revenue

Surcharge revenue represents provincial and federal fine surcharges collected by the Department of Justice in accordance with *The Victims of Crime Act, 1995* and the Criminal Code. The Department of Justice is responsible for collecting the surcharges on behalf of the Fund. Surcharges are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

ii) Deferred revenue

Proceeds of Crime funding received from the Federal Government is recognized as revenue in the year the related expenses are incurred.

c) Expense

Expense represents the cost of resources consumed during the year for operations. Expense includes provision for the amortization of tangible capital assets.

d) Tangible capital assets

Tangible capital assets that have a value greater than $500 and a useful life greater than one year are capitalized and amortized on a straight-line basis over the assets estimated useful life of three years.

3. Financial Instruments

The Fund has the following financial instruments: due from General Revenue Fund, due from Public Guardian and Trustee, accounts receivable and accounts payable. The following paragraphs disclose the significant aspects of these financial instruments.

a) Interest rate risk

Interest rate risk refers to the adverse consequences of interest rate changes on cash flows, financial position and income.

The Fund is exposed to interest rate risk when the value of its financial instruments fluctuate due to changes in market interest rates.

The Fund's receivables and payables are non-interest bearing and as a result there is no interest rate risk associated with these financial instruments.

As market interest rates fluctuate the market value of fixed income investments moves in the opposite direction. This risk may affect the price the Fund can sell the investments for prior to maturity.

b) Credit risk

The Fund is exposed to credit risk from potential non-payment of amounts due from General Revenue Fund, accounts receivable or investment income and principal.

The Fund's accounts receivable arise from fine surcharges assessed against individuals. Credit risk associated with accounts receivable relates to unpaid fine surcharges. The amount of fines which will eventually be collected is difficult to measure. The amount at which accounts receivable are stated in the financial statements is an estimate of fines which will be collected, based on past experience.

The Fund's investments held by the Public Guardian and Trustee consist of government and government guaranteed bonds, corporate bonds, and shares in Canadian and foreign companies. Credit risk is minimal for government and government guaranteed bonds. Credit risk for corporate bonds is related to investees' abilities to redeem their bonds upon maturity. The Public Guardian and

Trustee limits the credit risk by investing in securities considered to be high quality.

c) Fair value

For the following financial instruments, the carrying amounts approximate fair value due to their immediate or short-term nature:

Due from General Revenue Fund
Accounts receivable
Accounts payable

The carrying value of amounts held by the Public Guardian and Trustee at March 31, 2006 approximates fair value.

4. Tangible Capital Assets

	2006	2005
Opening costs of tangible capital assets	$ 110,222	$ 95,451
Additions during the year	2,938	14,771
Closing costs of tangible capital assets	113,160	110,222
Opening accumulated amortization	98,484	84,345
Annual amortization	7,794	14,139
Closing accumulated amortization	106,278	98,484
Net book value of tangible capital assets	$ 6,882	$ 11,738

Tangible capital assets consist of computer hardware.

Annual amortization is included in Administration costs in the Statement of Operations.

5. Related Parties

Included in these financial statements are transactions with various Saskatchewan Crown Corporations, departments, agencies, boards and commissions related to the Fund by virtue of common control by the Government of Saskatchewan, and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

During the year, the Fund received certain administrative services from the Departments of Justice and Finance without charge.

Other transactions with related parties and amounts due to or from them are described separately in the financial statements and related notes.

6. Due from General Revenue Fund

The monies of the Fund are deposited in the General Revenue Fund.

The Fund's earned interest is calculated and paid by the General Revenue Fund on a quarterly basis to the Fund using the Government's thirty day borrowing rate and the Fund's average daily bank account balance.

7. Accounts Receivable

This amount represents surcharges due to the Fund on account of fines levied against, but not yet paid, by individuals and miscellaneous receivables. The balance at March 31 consists of:

	2006	2005
Surcharge receivable	$ 932,077	$ 799,515
Federal/Provincial cost sharing agreement receivable	93,771	93,771
Other accounts receivable	3,061	2,382
Total accounts receivable	$ 1,028,909	$ 895,668

8. Due from Public Guardian and Trustee

The Fund invests a portion of its surplus funds with the Public Guardian and Trustee for Saskatchewan. The Public Guardian and Trustee invests these monies, together with monies it administers for its other clients, in a common fund. Income earned in the common fund, together with part of the change in market values of common fund investments, is allocated annually to clients, including Victims' Fund. The change in market value of common fund investments is allocated equally over four years.

The Fund records amounts allocated to it by the Public Guardian and Trustee as income or loss and adjusts the carrying value of its investment by the same amount. Carrying value approximates the fair value of investments.

9. Deferred Revenue

Under the federal *Seized Property Management Act* and the Forfeited Property Sharing Regulations, the Federal Government receives monies from seizures made by police during drug and other illegal activity investigations. On April 17, 2000, the Province entered into an agreement with the Federal Government that specifies the proceeds are to be used to support crime prevention, issues of substance abuse, and law enforcement. Treasury Board approved the deposit of the proceeds of crime into the Fund.

	2006	2005
Deferred revenue consists of:		
Monies for RCMP operations directed at organized crime	$ 33,060	$ 79,733
Monies for public education and crime prevention	30,195	38,726
Total deferred revenue	$ 63,255	$ 118,459

10. Commitments

The Fund enters into two-year agreements with agencies to provide victim services programs throughout the Province. At March 31, 2006, the Fund had the following contractual commitments:

Victim Services	$ 1,138,628
Police Services	375,107
Other	785,414
Total contractual commitments	$ 2,299,149

11. Budget

These amounts are included in the budget submitted to Treasury Board for approval. Treasury Board approves the Fund's budget annually.

12. Comparative Information

Certain prior year amounts have been reclassified to conform to the current year's presentation.

Schedule 1

DEPARTMENT OF JUSTICE
VICTIMS' FUND
SCHEDULE OF EXPENSE BY OBJECT
For the Year Ended March 31

	2006	2005 (Note 12)
Expense:		
Community grants	$ 2,895,417	$ 2,733,587
Salaries	754,522	712,275
Proceeds of Crime	99,284	-
Contractual services	-	60,528
Compensation awards	310,008	288,555
Administration	126,722	98,497
Systems expenses	46,983	8,891
Amortization	7,794	14,139
	$ 4,240,730	$ 3,916,472

Personal Services

Listed are individuals who received payments for salaries, wages, honorariums, etc. which total $50,000 or more.

McKendrick, Rod	$	57,997
McKenzie, Katrine		72,014
Raynes, Douglas E.		51,489
Selinger, Murray		78,211
Thiele, Patrick		86,753

Transfers

Listed are transfers to recepients who received $50,000 or more.

Battlefords Victim Services Inc	$	122,791
Buffalo Regional Victim Services Inc.		61,927
Churchhill River Regional Victim Services		108,915
Family Healing Circle Lodge Inc.		51,494
Family Service Regina		98,923
La Loche Community Development Corp		60,384
Moose Jaw Police Service		63,045
Northeast Regional Victim Services Inc.		114,401
Northern Region Victim Services		115,104
Northwest Regional Victim Services		60,475
P.A. Outreach Inc.		101,900
Parkland Victims Services Inc.		132,626
Peyakowak Committee Inc		51,552
Prince Albert Police Service		125,199
Prince Albert Regional Victim Services Inc.		69,404
Rainbow Youth Centre		67,200
Receiver General of Canada R.C.M.P. Proceeds of Crime		84,733
Regina Police Service		191,325
Regina Region Victim Services		115,579
Regina Women's Community Ctr & Sexual Assault Line Inc.		56,539
Saskatoon Indian & Metis Friendship Centre Inc.		51,483
Saskatoon Police Service		120,968
Saskatoon Sexual Assault & Information Centre Inc.		69,366
Saskatoon Tribal Council Urban First Nations Services Inc.		53,350
South West Victim Services Inc.		64,408
Southeast Regional Victim Services Inc.		61,637